Deductions at a Glance in Income Tax

TUTION FEES
Money spent towards children's tuition fees at the time of admission and throughout the course's duration can be deducted from your taxable income u/s 80C. However, other payments made to the school or college, like donations, development fees and other expenses of similar nature are not eligible for tax exemption. The relief is given to tuition fees paid towards full-time education of any two children of an individual. Also, the relief can be availed of only if the children study in universities, colleges, schools or educational institutions in India.

The following deductions are allowed from salary:

Professional Tax -Actual amount paid by the employee.

What are the permissible Deductions an assessee can claim under I.T. Act?

Important Deductions that can be claimed under Chapter VI A of I.T. Act are:

SI. No.	I.T. Sec.	Allowance/Perks Allowed	Amount of Deduction	Categories of Assessees
1. a.	80 C	Life Insurance Premia, Provident Fund **NSc ELSS,Post-Otf ice 5 year Time Deposit, Tuition Fees (max.2 Children),Sr. Citizen Saving Scheme 2004. Repayment of principal of Housing Loan,Bank Fixed Deposit of 5 Yrs period, Notified NABARD Bonds	Maximum overall deductions allowed under section 80C, 8OCCC 8OCCD is Rs. 1 lakh.	Individuals/HUF
b.	80 CCC	Premium paid towards approved Pension Fund (like LIC's Jeevan Suraksha) max. 1 Lakh		Individuals/HUF
c.	80 CCD	Contribution to Central Govt. pension/NPS Schemes. Upto 10% of Salary with matching contribution from Govt.		Central Govt. Employees / Non Govt. Employees
d.	80 CCF	Deduction of an additional amount allowed over & above the limit of Rs.1 Lakh shown above for investment in long		

		term infrastructure bonds.		
2.	80 D	(a) Medical Insurance Premium paid by cheque for policies taken from GIC/ other IRDA approved Insurers (b) For Senior Citizens	1 Rs.15,000 for SeIf/ Spouse/Children. AddI. 15,000 for Parents. It Parents are Sr. Citizens As. 20,000. 2. For Senior Citizen As. 20,000	Individuals/HUF.
**** For PPF (A/c opened in the name of self and minor children if any) max. limit is Rs. 70,000.***				
The following are additional Deductions apart from 80C, 8OCCC & 8OCCD:				
3.	**80 DD**	**(a)Any** expenditure for Medical, Nursing & Rehabilitation incurred on dependent relative suffering from permanent Physical Disability* AND (b) Deposits under LIC, UTrs Scheme & other IRDA approved Insurers for the benefit of Physically Handicapped dependent (e.g. LICs Jeevan Aadhar)	Rs. *50,000/-* with an additional Rs. 50000/-, if the disability is severe exceeding 80% i.e. Rs. 1 Lakh	Individuals? HUF *Individuals suffering from permanent disability including blindness, mental r e I a r d at i o n autism, cerebral palsy or multiple disabilities.
4.	**80DDB**	(a) Actual expenditure incurred on Medical treatment of Self or dependent relative or a member of HUE suffering from terminal disease like, Cancer, AIDS, Renal failure, etc. (b) For Senior Citizens	Upto Rs. 40,000 Upto Rs.60,000	Individuals/ HUF
5.	**80E**	Interest on Loan taken from Financial/Charitable Instn.**for Self/ Spouse/ Children for Higher Education above X Std.** (for a max. period of 8 years)	Any amount	Resident Individuals

6a.	**80G**	Donations made to National Defence Fund, P.M.'s Relief Fund, Political parties/Electrol Trusts, Approved Funds of reputed Educational Institutions National Trust for welfare of persons with Autism, Cerebral Palsy etc.	100% of Donation	All Assesses
6b.	**80G**	Donations made to Jawaharlal Memorial Fund, PM's Drought Relief Fund, National Children Fund, Any Charitable Institution! Trust, Religious Institutions, A corporation established by the Government for promoting interest of the members of a Minority Community	50% of Donation. In some cases donation is restricted to 10% of gross total income. 100% in some cases like National Defence Fund	All Assesses
7.	**80GG**	Deduction in respect of rents paid, provided no house is owned by self, spouse, minor child or HUF in the place of work and is residing in any of the specified cities and subject to tiling of declaration in Form No. 1OBA	25% of income or rent paid in excess of 10% of income or ceiling of Rs. 24,000 p.a. whichever is less	Individuals (no exemption is allowed to those who are in receipt of HRA & claiming deduction u/slO(13A)]
8.	**80U**	Persons suffering from Permanent Physical Disability as specified in Rule l1D	Rs. 50,000 (Rs. 1,00,000 in case of Severe Disability)	
9.	**24**	Int. on Housing Loan: Taken upto 31-3-99 max. of Taken after 01-4-99 max. of	As. 30,000 As. 1.5 akh **No limit in respect of let-out property**	Assesses having Self Occupied House Property.

Note: Al, the above deductions will be allowed only on satisfying the conditions specified in the relevant sections of the Income Tax Act. Deduction u/s 80C to 80U cannot exceed Gross Total Income.